

WC 10-48

DOCKET FILE COPY ON DISK/FCC FEB 17 2010

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

INTEGRA TELECOM OF OREGON, INC.,
ESCHELON TELECOM, INC.,
and other affiliates of
Integra Telecom of Oregon, Inc.

and

Cal-Ore Communications, Inc.
Joint Domestic Application for Consent
to Transfer of Control (Assignment of
Customers) Pursuant to Section 214 of the
Communications Act of 1934, as
Amended

File No.

WC Docket No. 09-_____

48

JOINT DOMESTIC APPLICATION
FOR STREAMLINED CONSENT TO TRANSFER CONTROL

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"),¹ and Sections 63.03 and 63.04 of the Rules of the Federal Communication Commission (the "Commission"),² this Application seeks the Commission's consent to Integra Telecom of Oregon, Inc., and its affiliates Eschelon Telecom of Oregon, LLC, United Communications, Inc., d/b/a UNICOM, Oregon Telecom Inc., ATI, Inc., and Shared Communications, Inc.'s (together "Transferor") assignment of local exchange resale customers (the "transfer of control") located in Klamath Falls, Oregon to Cal-Ore Communications, Inc., ("Transferee") (Transferor and Transferee together "Applicants"). The transfer of control will take place through submission of local service requests

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.03, 63.04.

(LSRs) to the incumbent reseller. Applicants seek presumptive streamlined processing of this Domestic Application pursuant to Section 63.03 of the Commission's Rules.³ This Application is eligible for streamlined processing of domestic 214 authority pursuant to Section 63.03(b)(2)(i) of the Commission's Rules since the proposed assignment of customers would result in the Transferee having a market share of less than 10 percent of the interstate, inter-exchange market, the Transferee would provide competitive telephone exchange service or exchange access service exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and neither the Transferor or Transferee is dominant with respect to any service.⁴ The transfer of control will not result in any change in service, except that Transferee will be the provider of resale services from the dominant local exchange carrier.

In support of this Application, Applicants submit the following information:

I. APPLICANTS

Integra Telecom of Oregon, Inc.'s and its parent company, Integra Telecom Holdings, Inc. (FRN: 0004257010) are corporations organized under the laws of the state of Oregon, with their principal places of business at 1201 NE Lloyd Blvd, Suite 500, Portland, Oregon 97232. Integra Telecom of Oregon, Inc., provides services pursuant to Integra Telecom Holdings, Inc.'s certification as permitted by Section 63.21 of the Commission's Rules, 47 C.F.R. § 63.21. Integra Telecom Holdings, Inc., is a wholly owned subsidiary of Integra Telecom Inc. Integra Telecom of Oregon, Inc., focuses on providing local telephone service, long distance and international calling, and high-speed Internet access to small and mid-sized businesses. Integra Telecom Holdings, Inc.,

³ 47 C.F.R. §§ 63.03.

⁴ Qwest Corporation is the dominant carrier in Klamath Falls, Oregon.

purchased Eschelon Telecom, Inc. (FRN: 0010289114), which had previously purchased United Communications, Inc., d/b/a UNICOM, Oregon Telecom Inc., ATI, Inc., and Shared Communications, Inc.,⁵ all of whom provide services to customers in Klamath Falls, Oregon by and through Integra Telecom of Oregon, Inc.

Cal-Ore Communications, Inc., is a C Corporation organized under the laws of the State of California with its principal place of business at 719 W 3rd Street in Dorris California. Cal-Ore Communications, Inc., provides local telephone service, long distance and international calling, and high-speed Internet access to residential and business customers in Klamath Falls, Merrill and Malin Oregon as well as Dorris, Tulelake, Lake Shastina, and Yreka California.

II. DESCRIPTION OF THE TRANSACTION

As noted above, the instant transaction for which Commission approval is sought involves the assignment of approximately 320 customers in Klamath Falls, Oregon, from Transferor to Transferee. Integra Telecom of Oregon, Inc., presently provides services to the foregoing customers through the resale of incumbent local exchange services. Following the purchase of customers by Cal-Ore Communications, Inc., the subject customers shall in the immediate future continue to receive the same services according to the same terms and conditions. Any future changes in the rates, terms and conditions of service will be made consistent with applicable law.

III. PUBLIC INTEREST

Applicants respectfully submit that the assignment of customers described herein will serve the public interest. Transferee focuses on providing services to customers

⁵ Integra Telecom of Oregon, Inc., Advanced TelCom, Inc. and its subsidiary, Shared Communications Services, Inc., and Oregon Telecom, Inc., and United Communications, Inc. d/b/a UNICOM are certificated carriers in Oregon.

within the subject cities, and has localized customer care, technical, and account management professionals to address any customer concerns with the services provided. Transferring the customers to Cal-Ore Communications, Inc., will allow Integra to more readily meet the demands of its on-net customers in other locations, make greater investments in its network facilities and operational support systems, and concentrate on innovative product offerings not possible with resale services.

Further, the transaction will be conducted in a manner that will be virtually transparent to customers of the certificated carriers.

Given the increasingly competitive nature of the domestic marketplace and the deadlines set forth in the Agreement between Transferor and Transferee, the Applicants are seeking to complete the proposed transfer of control as soon as possible in order to ensure that customers and Applicants can rapidly obtain the benefits of the proposed transaction. Accordingly, Applicants respectfully request that the Commission process, consider and approve this Application as expeditiously as possible.

For each of the foregoing reasons, grant of the proposed transfer of control is in the public interest.

IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE RULES

As required by Section 63.04 of the Commission's Rules, Applicants submit the following information:

(1) Names, addresses and telephone numbers of Applicants:

Transferor:

Integra Telecom Holdings, Inc.
Eschelon Telecom, Inc.
1201 NE Lloyd Blvd., Suite 500
Portland, Oregon 97232
Tele: 503-453-8000

Transferee:

Cal-Ore Communications, Inc
PO Box 847, Dorris California 96023
530-397-2211

(2) The State under the laws of which each of the Applicants is organized:

<u>Applicant</u>	<u>State of Organization</u>
Integra Telecom Holdings, Inc.	Oregon
Integra Telecom of Oregon, Inc.	Oregon
Cal-Ore Communications, Inc.	California

(3) Legal Counsel to whom Correspondence concerning this Application should be addressed:

For Integra Telecom of Oregon, Inc. and Affiliates:

Theodore N. Gilliam
Senior Corporate Counsel
Integra Telecom, Inc.
1201 NE Lloyd Blvd., Suite 500
Portland, Oregon 97232
Tele: (503) 453-8181
Fax: (503) 453-8223
Email: theodore.gilliam@integratelecom.com

For Cal-Ore Communications, Inc.

Thom Heartiy
401 Theadore Frend Ave, Rye, New York 10580
Tele: (914) 921 8821
Email: THearity@lynchic.com

(4) Name, address, citizenship, and principal business of entities that own at least ten percent (10%) of the equity of the Applicants (to the nearest one percent (1%)):

Transferor:

Integra Telecom of Oregon, Inc., is a wholly-owned subsidiary of Integra Telecom Holdings, Inc., which in turn is wholly-owned by Integra Telecom, Inc. The following entities have greater than 10 percent ownership in the ultimate parent company:

Goldman, Sachs & Co.

Address: 85 Broad Street, 17th Floor
New York, New York 10004

Citizenship: Tele: (212) 902-0300
Delaware
Principal Business: Investments

The following entities are deemed to have a 10 percent or greater interest in **Goldman, Sachs & Co.:**

Name: The Goldman Sachs Group, Inc.
Address: 85 Broad Street
New York, New York, 10004
Ownership: 99.8% Limited Partner Interest in Goldman, Sachs & Co. and Sole Member of The Goldman Sachs & Co. L.L.C.
Citizenship: Delaware
Principal business: Investments

Name: The Goldman, Sachs & Co. L.L.C.
Address: 85 Broad Street
New York, New York 10004
Ownership: Sole General Partner of Goldman, Sachs & Co.
Citizenship: Delaware
Principal business: Holding company

All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., and The Goldman, Sachs & Co. L.L.C. controls Goldman, Sachs & Co. as its sole general partner. All of the equity interests (voting and non-voting) in The Goldman, Sachs & Co. L.L.C. are held by The Goldman Sachs Group, Inc., which is a public company listed on the New York Stock Exchange. No person or entity owns 10 percent or more of The Goldman Sachs Group, Inc.

Tennenbaum Capital Partners, LLC

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405
Tele: 310-566-1000
Citizenship: Delaware
Principal Business: Investments

The following entities have a 10 percent or greater interest in Tennenbaum Capital Partners, LLC:⁶

Name:	Tennenbaum & Co., LLC
Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
Ownership:	40%
Citizenship:	Delaware
Principal business:	Investments
Name:	Howard M. Levkowitz
Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
Ownership:	15%
Citizenship:	U.S.
Principal business:	Managing Partner of Tennenbaum Capital Partners, LLC
Name:	Mark K. Holdsworth
Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
Ownership:	15%
Citizenship:	U.S.
Principal business:	Managing Partner of Tennenbaum Capital Partners, LLC

Michael E. Tennenbaum, a U.S. citizen, is the Managing Member of Tennenbaum & Co., LLC, which is wholly-owned by Mr. Tennenbaum and his wife, Suzanne Stockfisch Tennenbaum, a U.S. citizen. The Tennenbaum's address is 2951 28th Street, Suite 1000, Santa Monica, California 90405.

Farallon Capital Management, L.L.C.

⁶ Tennenbaum is the Investment Manager to the Tennenbaum Funds, four registered investment companies which in the aggregate will hold approximately 18.80 percent of the common stock of Integra Telecom. The Tennenbaum Funds are: Special Value Opportunities Fund, LLC ("SVOF"); Special Value Expansion Fund, LLC ("SVEF"); Special Value Continuation Partners, LP ("SVCP"); and Tennenbaum Opportunities Partners V, LP ("TOPV"). The address for each of the Tennenbaum Funds is 2951 28th Street, Suite 1000, Santa Monica, California 90405. Each of the Tennenbaum Funds is organized under the laws of Delaware, and the principal business of each Fund is investments. It is anticipated that the Tennenbaum Funds will hold equity interests in Integra Telecom as follows: SVOF 5.61%; SVEF 4.67%; SVCP 1.25%; and TOPV 9.86%. Neither SVOF nor SVEF have a Managing Member. Both SVOF and SVEF have a majority-independent board of directors that serves the managing member role. For both SVCP and TOPV, SVOF/MM, LLC is the General Partner. The Managing Member of SVOF/MM, LLC is Tennenbaum. The General Partner has a limited role. Both SVCP and TOPV have a majority-independent board of directors. Information concerning equity holders in the Tennenbaum Funds is not provided, as no such equity holders will have a cognizable interest in Integra's certificated carriers.

Address: 1 Maritime Plz, Ste 2100
 San Francisco, California 94111-3528
 Tele: 415-421-2132

Citizenship: Delaware

Principal Business: Investments

The following entities have a 10% or greater interest in **Farallon Capital Management, L.L.C.**:⁷

Name: Thomas F. Steyer

Address: One Maritime Plaza, Ste 2100
 San Francisco, California 94111

Ownership: 41%

Citizenship: U.S.

Principal business: Senior Managing Member and Co-
 Managing Partner of Farallon Capital
 Management, L.L.C.

Name: Andrew J.M. Spokes

Address: One Maritime Plaza, Ste 2100
 San Francisco, California 94111

Ownership: 25%

Citizenship: United Kingdom

⁷ Farallon is the investment manager to the Farallon Funds, which include the following 11 funds: Farallon Capital Partners, L.P. ("FCP, L.P."), a California limited partnership; Farallon FCP, Ltd. ("FFCP, Ltd.") a Delaware grantor trust; Farallon Capital Institutional Partners, L.P. ("FCIP, L.P."), a California limited partnership; Farallon FCIP, Ltd. ("FFCIP, Ltd."), a Delaware grantor trust; Farallon Capital Institutional Partners II, L.P. ("FCIP II, L.P."), a California limited partnership; Farallon Capital Institutional Partners III, L.P. ("FCIP III, L.P."), a Delaware limited partnership; Tinicum Partners, L.P. ("TP, L.P."), a New York limited partnership; Farallon Capital Offshore Investors II, L.P. ("FCOI II, L.P."), a Cayman, B.W.I. exempted limited partnership; Farallon FCOI II, Inc. ("FFCOI II, Inc."), a Cayman, B.W.I. exempted company; Farallon Capital Offshore Investors, Inc. ("FCOI, Inc."), a B.V.I. company; and Farallon Capital Offshore Investors III, Inc. ("FCOI III, Inc."), a Cayman, B.W.I. exempted company. It is expected that the individual Farallon Funds will hold the following percentage equity interests in Integra Telecom: FCP, L.P., 1.49%; FFCP, Ltd., 0.37%; FCIP, L.P., 1.92%; FFCIP, Ltd., 0.69%; FCIP II, L.P., 0.17%; FCIP III, L.P., 0.12%; TP, L.P., 0.02%; FCOI II, L.P., 1.88%; FFCOI II, Inc., 1.06%; FCOI, Inc., 2.98%; and FCOI III, Inc., 2.18%. In the aggregate, the Farallon Funds will hold approximately 12.89 percent of the common stock of Integra Telecom. The address for each of the Farallon Funds is One Maritime Plaza, Ste 2100, San Francisco, California 94111. The sole general partner for each of the above-referenced partnerships is Farallon Partners, L.L.C. ("FP"). FP also acts as the administrative trustee for the above-referenced Delaware grantor trusts. For Farallon Capital Offshore Investors, Inc. and Farallon Capital Offshore Investors III, Inc., Farallon Capital Management, L.L.C. acts as agent and attorney-in-fact. For Farallon FCOI II, Inc., its sole director is Farallon Partners Directors, L.L.C., the sole member of which is FP. The interests of Messrs. Steyer and Spokes in Farallon are reported as of the date of such disclosure made in Farallon's Form ADV and submitted to the U.S. Securities and Exchange Commission. Information concerning equity holders in the Farallon Funds is not provided, as no such equity holders will have a cognizable interest in Integra's certificated carriers.

Principal business: Managing Member and Co-Managing
Partner of Farallon Capital Management,
L.L.C.

The name and citizenship of the Managing Members of Farallon Capital Management, L.L.C., in addition to Mr. Steyer and Mr. Spokes, are as follows: (1) Richard B. Fried, U.S.; (2) Stephen L. Millham, U.S.; (3) Mark C. Wehrly, U.S.; (4) William F. Duhamel, U.S.; (5) Monica R. Landry, U.S.; (6) Gregory S. Swart, New Zealand; (7) Rajiv A. Patel, U.S.; (8) Alice F. Evarts, U.S.; (9) Jason E. Moment, U.S.; (10) Douglas M. MacMahon, U.S.; (11) Ashish H. Pant, India; (12) Daniel J. Hirsch, U.S.; and (13) Richard H. Voon, U.S. The address for each of these Managing Members is One Maritime Plaza, Ste 2100, San Francisco, California 94111. None of the Managing Members other than Mr. Steyer and Mr. Spokes holds a 10 percent or greater interest in Farallon Capital Management, L.L.C.

Transferee:

The following entity has a 10% or greater interest in Cal-Ore Communications, Inc.:

Name: California-Oregon Telecommunications Company
Address: P.O. Box 847
Dorris, CA 96023
Ownership: 100%
Citizenship: California
Principal Business: Telecommunications holding company

(5) Certification Pursuant to Sections 1.2001 through 1.2003 that no party to the Application is subject to a denial of Federal benefits:

By their signatures below, Applicants certify that no party to the Application is subject to the denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Description of Transaction:

Please see the description of transaction under Section II, above.

(7) A description of the geographic areas in which the transferor and transferees offer domestic telecommunications services, and what services are provided in each area:

The geographic area of concern is Klamath Falls, Oregon. Applicants provide resale voice and data services in the foregoing cities. In addition, Cal-Ore

Communications, Inc., LLC provides facilities-based voice and data services in Dorris, Tulelake, Lake Shastina, and Yreka California; Klamath Falls, Merrill and Malin Oregon as a competitive local exchange carrier.

- (8) A statement as to how the Application fits into one or more of the presumptive streamlined categories in Section 63.03 or why it is otherwise appropriate for streamlined treatment:**

Applicants qualify for streamlined treatment under Section 63.03(b)(2)(i) of the Commission's Rules. The proposed transaction will result in the Transferee having a market share in the interstate, interexchange market of less than ten percent, and the Transferee will provide competitive telephone exchange service or exchange access service exclusively in geographic areas served by a dominant local exchange carrier, in this case Qwest Communications, that is not a party to the transaction. Further, neither of the Applicants is dominant with respect to any service.

- (9) Identification of all other Commission applications related to the same transaction:**

None.

- (10) A statement of whether the Applicants are requesting special consideration because either party to the transaction is facing imminent business failure:**

Applicants do not seek special consideration in this Application.

- (11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:**

Applicants do not seek any waivers in conjunction with the transaction discussed in this Application.

- (12) A statement showing how grant of the Application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:**

Please see the Public Interest description in Section III, above.


Payment in the amount of \$1,015.00, along with FCC Form 159, was transmitted to the Federal Communications Commission, c/o U.S. Bank - Government Lockbox #979091, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101 (Attn: FCC Government Lockbox) for delivery this date.

An original and six copies of this Application are enclosed for filing. To acknowledge receipt, please stamp and return one copy of this Application enclosed for that purpose. Please contact the undersigned with any inquiries concerning this Application.

Respectfully submitted.

By: 

Theodore N. Gilliam
Senior Corporate Counsel
Integra Telecom, Inc.
1201 NE Lloyd Blvd. Ste 500
Portland, OR 97232
Phone: 503.453.8181
Facsimile: 503.453.8223
tgilliam@integratelecom.com

And By: 

Edward B. Ormsbee
President
Cal-Ore Communications, Inc.
719 W. 3rd St., PO Box 847
Dorris, CA 96203
Phone: 530-397-2211
Facsimile: 530-397-2345
edorm@cot.net

Dated: February 10, 2010

[Please see attached certifications of Transferee and Transferor which are incorporated herein by this reference.]

DECLARATION OF EDWARD B. ORMSBEE

I, Edward B. Ormsbee, president for Cal-Ore Communications, Inc., do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL," and the information contained therein is true and accurate to the best of my knowledge, information, and belief.

2-10-10

Date


Edward B. Ormsbee

DECLARATION OF MIKE DANIEL

I, Mike Daniel, Senior Vice President for Integra Telecom of Oregon, Inc., do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL," and the information contained therein is true and accurate to the best of my knowledge, information, and belief.

2/11/10
Date

Mike Daniel
Mike Daniel